GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4019
ANSWERED ON:23.03.2001
REVENUE EARNED THROUGH FOREIGN T.V. CHANNELS
RADHA MOHAN SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the foreign television channels companies in the country are paying only 10 percent revenue since, 1996 till date whereas similar Indian television channel companies are paying 35 per cent revenue;

(b) if so, whether the delegation of foreign television channel companies had got the notice of Central Board of Direct Taxes (CBDT) regarding increase in revenue from 10 percent to 20 percent in September - October, 2000;

(c) if so, the details thereof;

(d) whether the Central Revenue is outstanding against the Foreign television channel; and

(e) if so, the names of such companies separately alongwith amount of revenue outstanding against each?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) No, Sir. Foreign telecasting companies (FTCs) have beenpaying tax at the rate applicable to the foreign companies under the Income-tax Act which is presently 48% as against the prescribed rate of 35% for the domestic companies. The above rate of tax is applicable to the income earned by FTCs from the advertising revenue which is computed at 10%of the gross receipts excluding commission paid out as per the guidelines laid down by the circular of Central Board of Direct Taxes.

(b) No, Sir.

(c) Does not arise.

(d) Yes, Sir.

(e) The details are as per annexure

ANNEXURE

LOK SABHA Unstarred Question No.4019 To be answered on Friday, the 23rd March, 2001

Details of the outstanding demand of income-tax in respect of the FTCs.

S.No.	Name of the FTC	Assessment year	Outstanding Demand of the Income-tax (Rupees in crores)
1.	Satellite Television Asian Region Advertising Sales BV	1997-98	3.62
2.	Satellite Television Asia Region Ltd.	1995-96	0.06
3.	Set Satellite Singapore Pvt. Ltd.	1996-97	0.15
		1997-98	1.09

4. Asia television Network as agent of United Telecommunications	1995-96	0.15	
	1996-97		1.00
5. M.T.V. Asia LDC	1998-99	0.01	